

1987 ☐ 1

COMMUNITY FINANCING OF REGIONAL INVESTMENT IN 1985

PARTICIPATION BY THE FINANCIAL INSTRUMENTS CONTINUES UNABATED

Despite the particularly unfavourable budgetary situation, the Community has further stepped up its funding of investments in the least favoured regions; its efforts have been directed both towards the regions whose development is lagging behind and towards those whose industrial structure is declining; it has also supported investment projects in priority areas with considerable regional impact.

Furthermore, the reforms adopted with regard to the structural instruments - in particular the creation of the Integrated Mediterranean programmes (IMPs) - together with the implementation of the Single European Act (Art. 130 D) should in future encourage increased investment in the regions by making the Community Funds more effective.

Thus in 1985 the ERDF and the EAGGF Guidance Section granted investment aid amounting to 3 000 million ECU, while the EIB (from its own resources and those of the NCI), the ECSC and EURATOM granted almost 8 000 million ECU in loans, with or without interest rebates.

.... AS GENERAL-PURPOSE AID

The ERDF and EIB, both of whose activities may cover all sections of the economy, funded most of the Community participation, amounting to approximately 85% of the aid and loans granted. Of this, about three-quarters was used to promote infrastructure development in the less-favoured peripheral regions of Italy (Mezzogiorno), the United Kingdom (North), Greece, Ireland and France (DOM, Midi-Pyrénées, Bretagne).

About 20 regions, representing 22% of the population of the Community, thus received 73% of ERDF aid, whereas EIB loans were somewhat less regionally concentrated.

In fact, a relatively large proportion of the EIB loans was granted outside the less-favoured peripheral regions to the energy sector (Rhône-Alpes and Vest for Storebælt), for environmental protection (Po Valley) and for the modernization or conversion of the productive sector (particularly small and medium-sized businesses).

.... AS SECTORAL AID

The **E A G G F Guidance Section** provided almost 500 million ECU in direct aid for the modernization of agricultural structures, three-quarters of it going to Italy, France and Greece. Although this aid was widely distributed among the regions of the Community, the amounts involved were largest in the agricultural regions of the South of France, Italy, Central Greece, Ireland and Scotland.

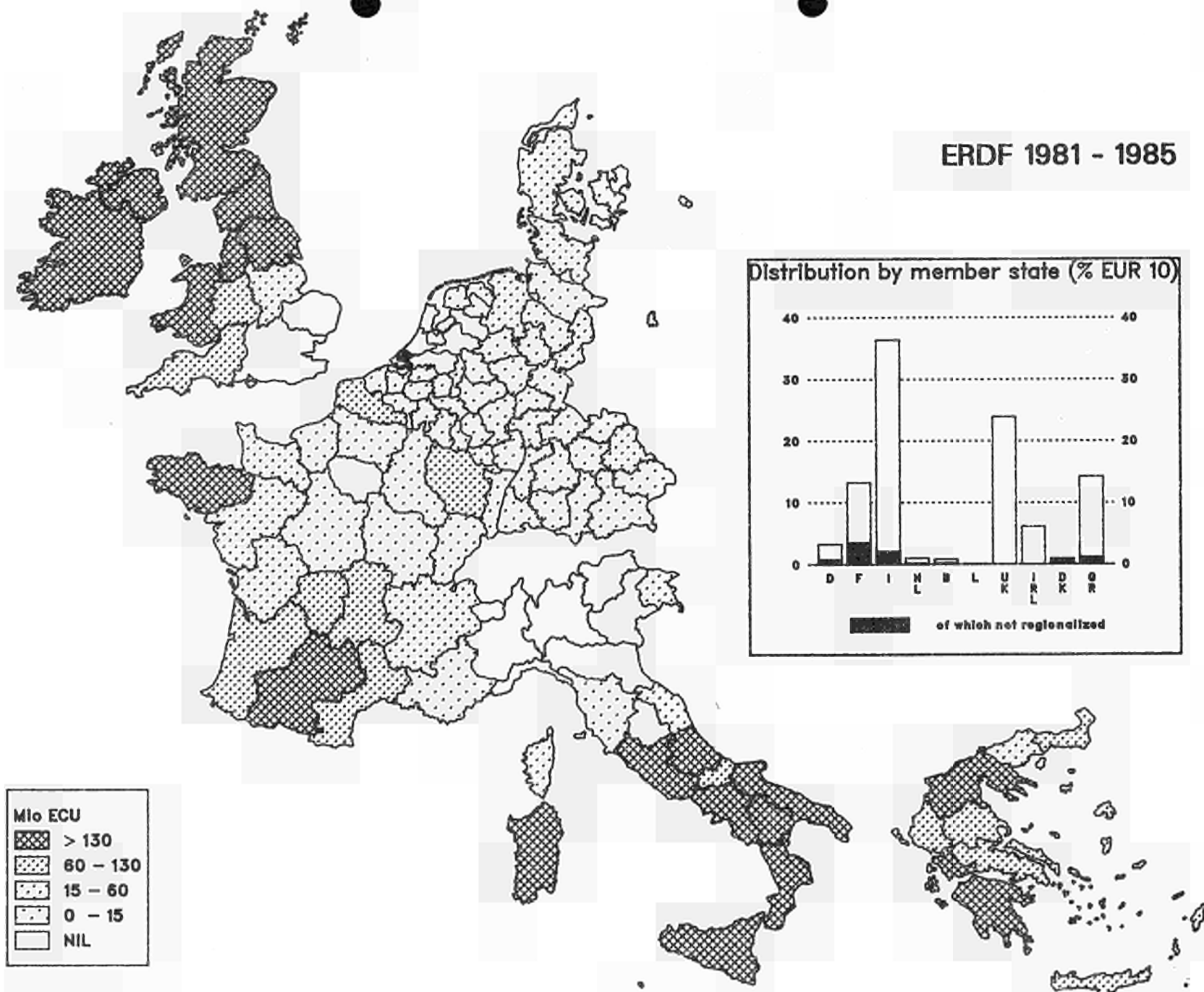
The **ECSC** and **EURATOM** granted more than 1 000 million ECU in loans for the modernization and conversion of ECSC industries or the development of nuclear power stations. This aid went mainly to a small number of mining or steel-producing regions in the Federal Republic of Germany (Nordrhein-Westfalen), France (Nord-Pas-de-Calais) and the United Kingdom, and to one major nuclear project in Italy (Lazio).

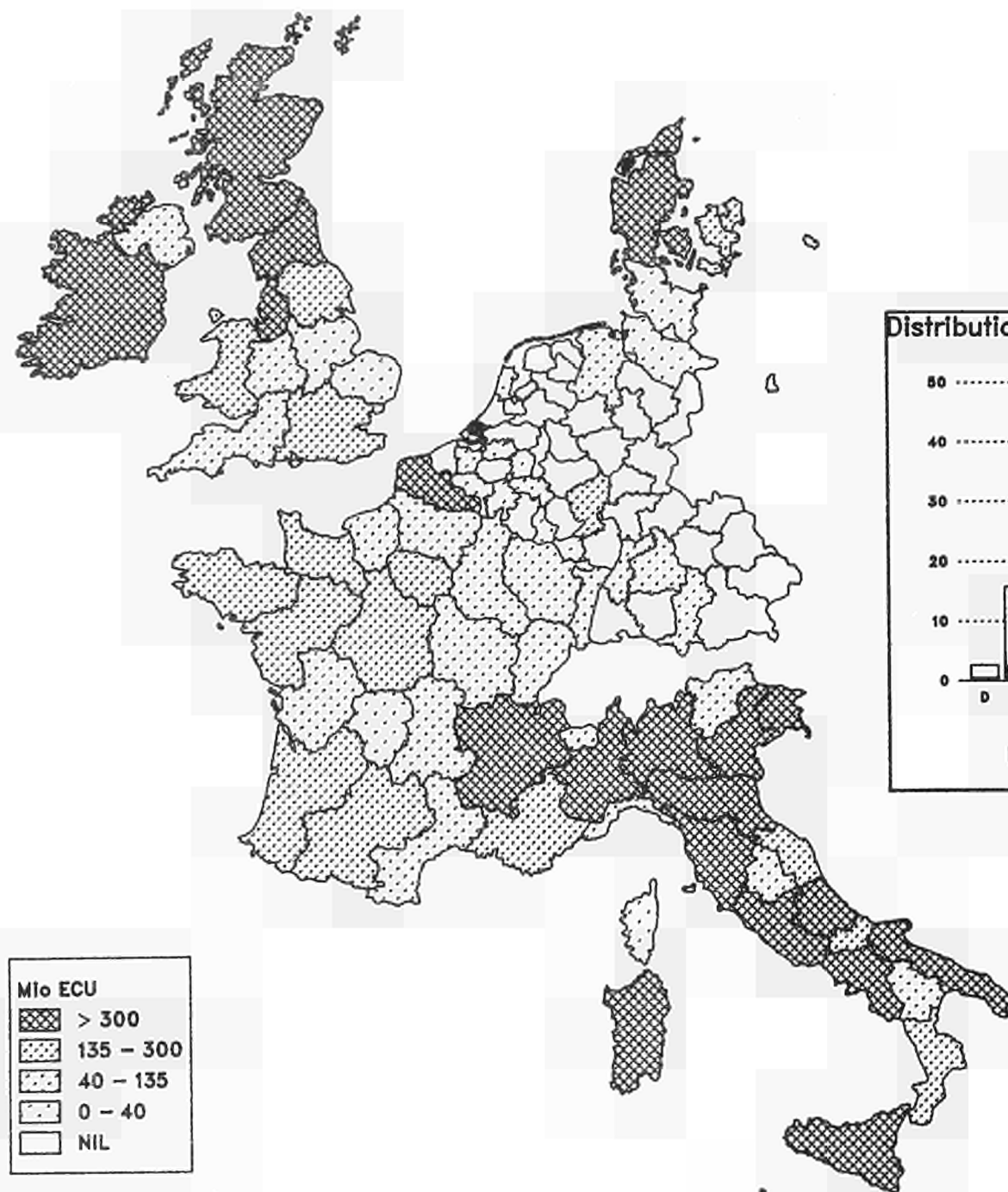
.... AND AS COMBINED AID

Since the Community tries to avoid any cumulation or overlap of its structural instruments, only a few peripheral regions, lagging behind in development and mainly agricultural, received major aid from more than one financial instrument: thus, of the 20 regions which received the highest amounts of financial participation per person, 13 received funds from the ERDF and the EAGGF Guidance Section, 8 from the ERDF and the EIB, and lastly, 6 - Abruzzi, Molise, Basilicata, Sardegna, Ireland and Ipeiros - from the ERDF, the EAGGF Guidance Section and the EIB.

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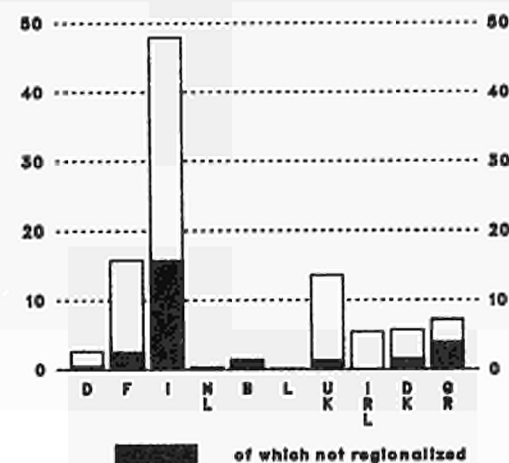
ERDF 1981 - 1985

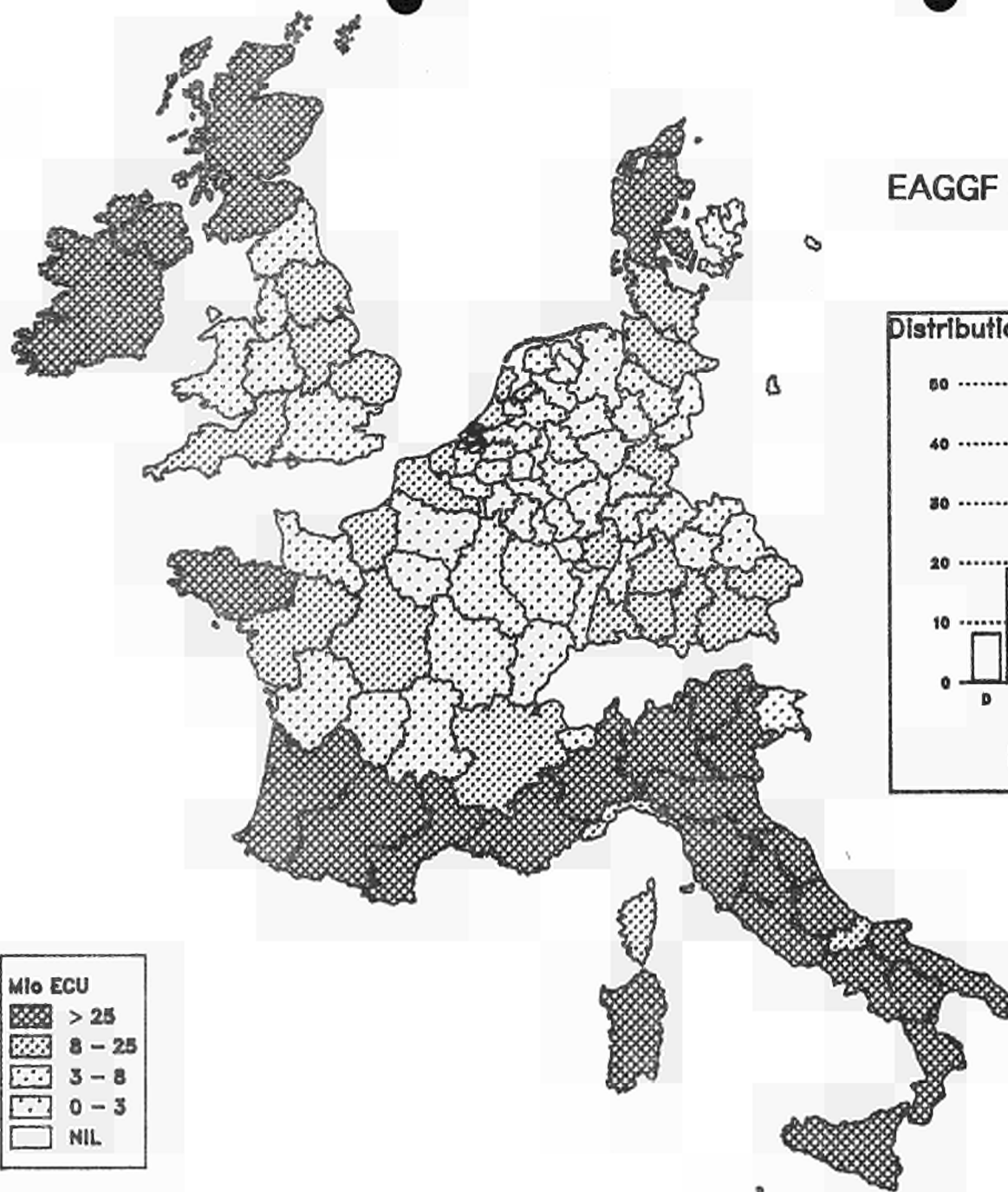




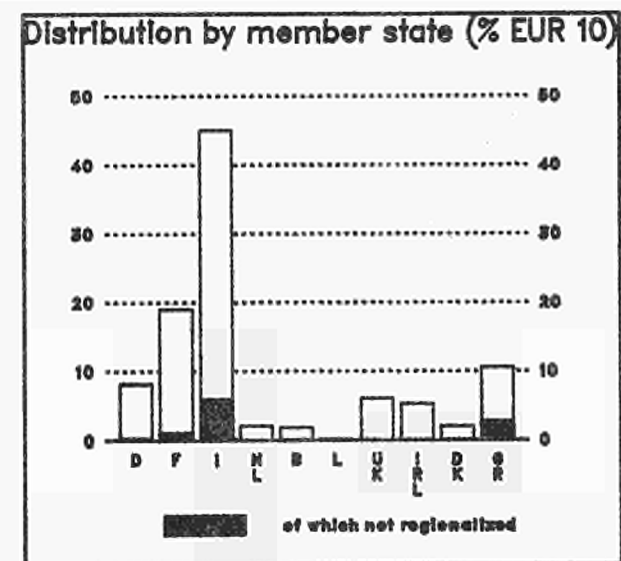
EIB and NCI 1981 - 1985

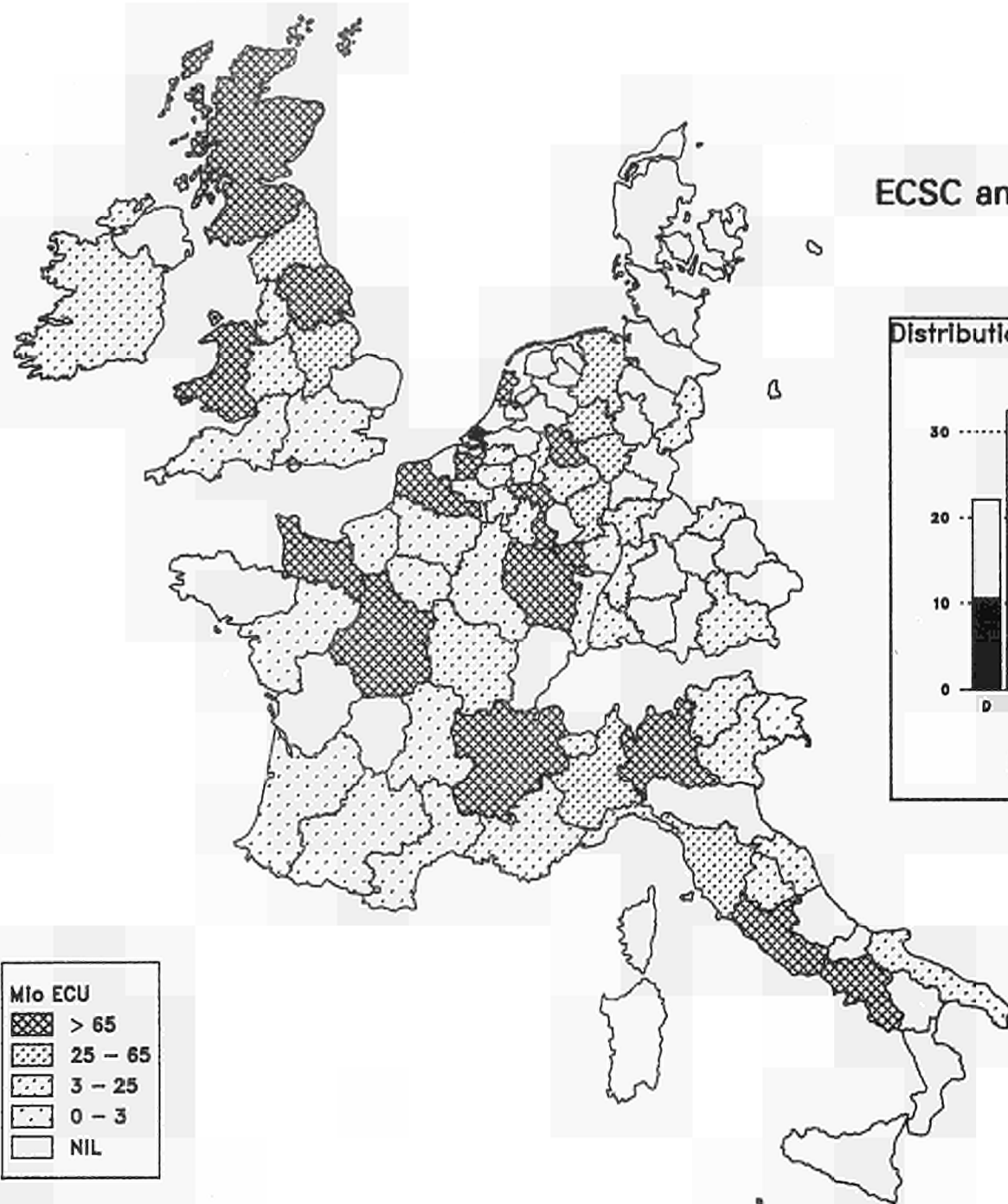
Distribution by member state (% EUR 10)



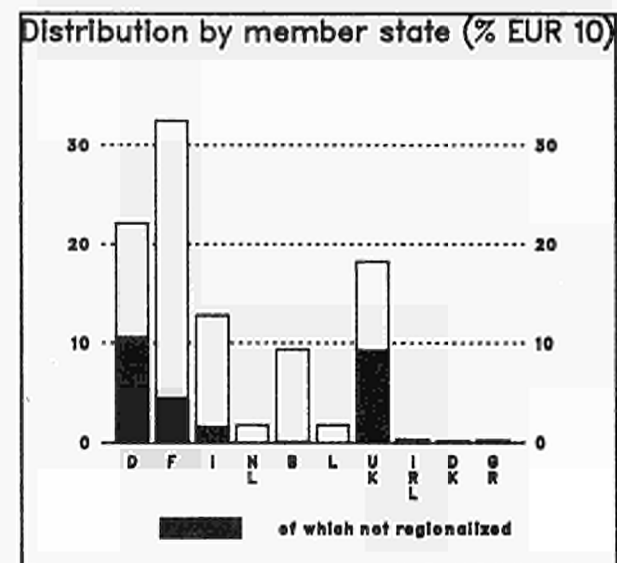


EAGGF (guidance) 1981 - 1985





ECSC and EURATOM 1981 - 1985



COMMUNITY FINANCING OF REGIONAL INVESTMENT (Mio ECU)

FINANCIAL INSTRUMENT	ERDF		EAGGF		EIB/NCI		ECSC/EURATOM	
	1985	1981-85	1985	1981-85	1985	1981-85	1985	1981-85
EUR 10	2496.0	10604.1	498.2	2149.0	6524.4	25769.6	1097.2	4892.5
BR DEUTSCHLAND	83.6	349.5	36.6	175.3	91.4	690.7	373.2	1077.2
SCHLESWIG-HOLSTEIN	7.0	32.8	3.1	19.9	4.4	14.3	-	-
HAMBURG	-	-	.3	2.2	-	-	-	-
NIEDERSACHSEN	23.5	66.4	3.6	22.6	22.6	69.4	42.1	60.3
BRAUNSCHWEIG	10.5	17.4	.2	2.1	-	-	5.8	6.6
HANNOVER	.3	.7	.4	4.9	-	-	-	-
LUENEBURG	3.0	6.7	2.7	12.4	-	1.2	-	-
WESER-EMS	5.8	18.5	.2	2.7	22.6	68.2	36.4	36.4
MULTIREGIO	3.9	23.2	-	.5	-	-	-	17.4
BREMEN	1.0	2.2	2.2	5.8	-	-	-	69.7
NORDRHEIN-WESTFALEN	15.5	40.9	3.8	11.4	-	-	83.1	393.7
DUESSELDORF	2.4	5.9	1.0	4.0	-	-	65.9	141.0
KOELN	1.3	3.2	1.5	4.0	-	-	-	21.0
MUENSTER	3.8	8.6	.3	1.1	-	-	-	50.6
DETHOLD	1.4	4.1	.3	.7	-	-	-	-
ARNSBERG	1.1	6.8	.4	1.3	-	-	17.3	29.2
MULTIREGIO	5.6	12.3	.3	.3	-	-	-	152.0
HESSEN	3.0	17.9	3.8	17.5	-	-	4.4	4.4
DARMSTADT	-	.3	1.7	4.7	-	-	4.4	4.4
GIESSEN	.7	1.9	.6	1.7	-	-	-	-
KASSEL	2.1	8.9	1.5	9.4	-	-	-	-
MULTIREGIO	.2	6.8	-	1.8	-	-	-	-
RHEINLAND-PFALZ	8.0	23.6	7.1	22.9	-	282.1	45.8	51.2
KOBLENZ	3.9	5.3	.7	2.8	-	282.1	45.8	51.1
TRIER	1.5	8.3	.1	4.2	-	-	-	-
RHEINHESSEN-PFALZ	2.1	8.2	5.5	13.4	-	-	-	.1
MULTIREGIO	.4	1.7	.8	2.5	-	-	-	-
BADEN-WUERTEMBERG	-	8.5	8.0	34.2	18.1	100.8	1.1	7.3
STUTTGART	-	.9	2.7	11.6	18.1	53.9	-	-
KARLSRUHE	-	1.3	.5	3.4	-	46.9	1.1	2.6
FREIBURG	-	.3	2.9	10.1	-	-	-	4.7
TUEBINGEN	-	1.5	1.9	8.6	-	-	-	-
MULTIREGIO	-	4.4	-	.4	-	-	-	-
BAYERN	19.0	88.7	4.8	38.4	-	76.7	3.4	5.2
OBERBAYERN	-	.5	1.1	10.3	-	-	3.4	3.4
NIEDERBAYERN	.5	6.6	2.7	11.1	-	-	-	-
OBERPFALZ	12.2	36.1	-	1.3	-	-	-	-
OBERFRANKEN	.8	4.7	.1	3.4	-	-	-	1.8
MITTELFRANKEN	1.9	4.1	-	.5	-	-	-	-
UNTERFRANKEN	.6	2.8	.4	3.6	-	-	-	-
SCHWABEN	-	.6	.6	8.3	-	76.7	-	-
MULTIREGIO	3.1	33.2	-	-	-	-	-	-
SAARLAND	6.5	44.2	-	.3	1.8	31.6	40.3	137.2
BERLIN (WEST)	-	23.9	-	-	-	-	-	-
MULTIREGIO	-	.4	-	-	44.5	115.8	153.1	348.1
FRANCE	309.9	1402.9	100.7	406.5	1247.3	4070.5	291.4	1584.4
ILE DE FRANCE	-	-	.3	.8	96.6	250.7	-	.0
BASSIN-PARISIEN	16.2	43.2	8.9	35.8	181.9	767.5	44.8	275.4
CHAMPAGNE-ARDENNE	5.0	10.6	2.5	5.6	20.8	43.9	-	.1
PICARDIE	.5	2.8	.1	2.6	30.1	67.5	-	.2
HAUTE-NORMANDIE	.1	1.4	1.8	8.6	18.0	60.0	-	.0
CENTRE	.5	3.0	.4	8.5	20.3	290.2	-	156.9
BASSE-NORMANDIE	10.1	25.3	2.4	7.1	63.0	244.9	44.8	110.1
BOURGOGNE	-	.2	1.7	3.4	18.7	44.3	-	8.1
MULTIREGIO	-	-	-	-	11.0	16.8	-	-
NORD - PAS-DE-CALAIS	33.6	65.7	3.1	10.2	153.4	424.0	161.5	241.2
EST	49.3	84.9	1.9	9.0	108.5	214.1	66.1	398.9
LORRAINE	48.9	82.2	1.2	4.0	53.4	98.6	66.1	398.8
ALSACE	.4	2.7	.7	4.3	35.7	65.9	.0	.0
FRANCHE-COMTE	-	.1	-	.7	19.3	49.6	-	-
QUEST	22.1	253.4	12.7	59.8	188.8	429.5	-	.1
PAYS DE LA LOIRE	5.8	51.3	5.0	24.9	55.9	149.4	-	.1
BRETAGNE	9.8	163.4	7.4	27.0	75.9	185.2	-	-
POITOU-CHARENTES	6.5	38.8	.2	6.4	12.5	50.4	-	-
MULTIREGIO	-	-	.1	1.5	44.4	44.4	-	-

COMMUNITY FINANCING OF REGIONAL INVESTMENT (Mio ECU)

FINANCIAL INSTRUMENT	E R D F		E A G G F		E I B / N C I		E C S C / E U R A T O M	
	1985	1981-85	1985	1981-85	1985	1981-85	1985	1981-85
SUD-OUEST	72.2	342.9	15.2	73.3	108.6	327.6	.0	.7
AQUITAINE	18.0	74.0	4.7	37.4	48.0	136.5	-	.0
MIDI-PYRENEES	31.5	185.9	5.5	28.9	44.6	150.6	.0	.7
LIMOUSIN	22.7	63.3	4.9	6.6	16.0	34.7	-	-
MULTIREGIO	-	19.8	-	.4	-	5.8	-	-
CENTRE-EST	20.1	105.9	6.8	26.1	249.9	782.2	.1	429.0
RHONE-ALPES	8.8	34.7	3.7	21.7	223.3	690.5	.0	428.8
AUVERGNE	11.3	71.2	3.1	4.3	26.6	80.1	.1	.2
MULTIREGIO	-	-	-	-	-	11.7	-	-
MEDITERRANEE	54.5	153.9	47.1	170.3	73.8	298.2	9.0	50.2
LANGUEDOC-ROUSSILLON	42.0	100.0	27.2	108.2	33.4	78.2	.0	.4
PROVENCE-ALPES-COTE D'AZUR	8.2	12.2	16.9	47.9	30.1	198.3	9.0	20.4
CORSE	4.4	41.7	3.0	14.1	10.2	21.6	-	-
MULTIREGIO	-	-	-	-	-	-	-	29.4
FRANCE OUTRE-MER	41.8	314.5	3.6	7.1	-	-	-	-
MULTIREGIO	-	38.4	1.2	14.2	85.8	576.6	9.9	189.0
ITALIA	871.3	3855.7	200.6	964.1	2978.1	12362.5	265.9	674.6
NORD OVEST	-	-	14.1	43.8	165.0	704.2	4.9	44.5
PIEMONTE	-	-	12.6	28.5	121.7	497.8	4.9	37.5
VALLE D'AOSTA	-	-	1.2	4.3	19.4	61.7	-	3.4
LIGURIA	-	-	.2	11.0	24.0	103.5	-	3.6
MULTIREGIO	-	-	-	-	-	41.1	-	-
LOMBARDIA	-	-	11.0	29.2	224.5	590.6	38.4	78.0
NORD EST	-	30.2	27.5	72.9	280.5	784.5	3.3	10.5
TRENTINO-ALTO ADIGE	-	-	14.2	32.2	56.4	134.4	-	5.9
VENETO	-	-	9.4	34.5	145.3	339.3	3.3	3.3
FRIULI-VENEZIA GIULIA	-	30.2	3.9	6.2	78.8	310.9	-	1.2
EMILIA-ROMAGNA	-	-	20.0	78.7	168.6	467.8	-	-
CENTRO	12.0	63.0	43.4	122.6	271.6	723.0	-	58.8
TOSCANA	.1	11.9	17.1	54.8	154.9	361.9	-	31.9
UMBRIA	-	-	12.2	30.2	34.1	120.6	-	11.3
MARCHE	11.9	51.1	14.1	37.6	82.5	240.4	-	15.6
MULTIREGIO	-	-	-	-	-	-	-	-
LAZIO	28.5	142.0	9.7	35.7	433.5	1099.9	97.6	250.2
CAMPANIA	372.2	1423.2	19.8	50.2	308.7	1392.4	102.0	150.7
ABRUZZI-MOLISE	61.5	218.4	13.2	59.9	109.3	519.2	-	-
ABRUZZI	40.3	156.7	11.4	46.6	81.5	317.5	-	-
MOLISE	21.2	61.6	1.7	13.3	27.7	201.7	-	-
SUD	288.7	927.4	24.3	203.6	131.4	893.2	-	5.2
PUGLIA	40.9	231.8	12.4	100.3	91.1	556.9	-	5.2
BASILICATA	178.3	312.1	7.1	49.2	24.2	108.3	-	-
CALABRIA	69.5	383.5	4.8	54.1	16.0	228.0	-	-
MULTIREGIO	-	-	-	-	-	-	-	-
SICILIA	42.7	596.1	10.1	47.0	140.5	709.6	-	-
SARDEGNA	50.2	231.6	6.3	91.8	108.6	470.3	-	-
MULTIREGIO	15.6	223.9	1.2	128.7	635.9	4008.0	19.7	76.6
NEDERLAND	18.9	104.7	8.4	45.7	69.1	69.1	.0	85.4
NOORD-NEDERLAND	9.0	72.6	.4	4.8	-	-	-	-
GRONINGEN	1.6	35.9	.2	1.2	-	-	-	-
FRIESLAND	1.1	11.2	.0	3.4	-	-	-	-
DRENTHE	2.8	13.5	.2	.2	-	-	-	-
MULTIREGIO	3.5	12.0	-	-	-	-	-	-
OOST-NEDERLAND	-	-	1.4	6.0	-	-	-	-
OVERIJSSSEL	-	-	.4	2.0	-	-	-	-
GELDERLAND	-	-	1.0	4.0	-	-	-	-
MULTIREGIO	-	-	-	-	-	-	-	-
WEST-NEDERLAND	-	-	4.7	26.4	11.8	11.8	.0	81.0
UTRECHT	-	-	.3	1.1	-	-	-	-
NOORD-HOLLAND	-	-	.8	8.8	11.8	11.8	.0	81.0
ZUID-HOLLAND	-	-	2.8	13.3	-	-	-	-
ZEELAND	-	-	.7	3.2	-	-	-	-
ZUID-NEDERLAND	8.0	27.2	1.9	8.5	-	-	-	4.4
NOORD-BRABANT	-	-	1.7	6.8	-	-	-	-
LIMBURG	8.0	27.2	.1	1.4	-	-	-	4.4
MULTIREGIO	-	-	.2	.2	-	-	-	-
MULTIREGIO	1.8	5.0	-	-	57.3	57.3	-	-

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	1985	1981-85	1985	1981-85	1985	1981-85	1985	1981-85
BELGIQUE-BELGIE	24.4	88.6	12.5	39.7	77.8	353.3	1.1	458.1
VLAAMS GEWEST	24.1	44.4	9.0	30.1	-	59.8	.9	221.4
REGION MALLONNE	.3	44.2	2.6	7.8	38.7	62.2	.2	235.6
BRUXELLES-BRUSSEL	-	-	.9	1.6	-	-	-	-
MULTIREGIO (NIV I)	-	-	-	.3	39.1	231.4	-	1.1
ANTWERPEN	1.4	6.0	1.1	4.6	-	1.7	.1	.1
BRABANT	10.8	10.8	1.3	3.5	-	-	.0	.1
HAUTAUT	.2	8.5	1.8	3.1	-	8.0	.1	5.7
LIEGE	-	8.3	.7	2.1	38.7	53.0	.2	223.2
LIMBURG	4.4	11.0	.2	1.8	-	.9	.7	2.0
LUXEMBOURG	-	9.6	-	.8	-	-	-	4.5
NAMUR	-	3.4	-	1.1	-	1.2	.0	.0
OOST-VLAANDEREN	3.9	4.7	1.4	4.4	-	57.2	.1	219.3
WEST-VLAANDEREN	1.4	1.6	6.0	17.6	-	-	-	-
MULTIREGIO (NIV II)	2.2	24.7	.1	.3	-	-	-	2.2
LUXEMBOURG (GRAND-DUCHE)	-	8.5	.2	2.2	-	16.4	9.1	84.9
UNITED KINGDOM	607.9	2538.4	31.7	131.2	1130.1	3497.3	152.7	891.6
NORTH	44.4	347.2	.9	5.3	121.3	549.0	4.4	30.4
YORKSHIRE AND HUMBERSIDE	41.4	212.3	1.8	8.9	97.4	240.1	.6	144.4
EAST MIDLANDS	30.5	57.7	1.2	8.1	1.6	30.3	.3	32.0
EAST ANGLIA	-	-	3.1	9.7	10.1	11.8	-	-
SOUTH EAST	-	-	.5	6.7	12.5	227.9	.0	.7
SOUTH WEST	17.7	110.0	1.9	9.1	40.9	104.5	-	.3
WEST MIDLANDS	78.5	115.2	1.3	4.8	60.0	132.8	.1	9.7
NORTH WEST	131.4	382.3	1.3	4.5	426.0	599.2	.0	3.8
WALES	99.4	422.9	1.0	5.8	79.4	168.7	20.1	127.5
SCOTLAND	120.8	671.8	12.5	42.3	230.1	1027.3	.0	88.5
NORTHERN IRELAND	43.8	217.2	6.0	25.7	9.7	65.8	-	-
MULTIREGIO	-	1.8	.3	.3	41.3	339.7	127.1	454.2
IRELAND	157.2	650.3	27.1	114.7	174.5	1403.5	.1	15.7
DANMARK	13.2	97.4	16.0	43.8	332.5	1470.4	3.7	8.9
DANMARK, EK. GRONLAND	13.2	35.3	16.0	43.3	332.5	1445.0	3.7	8.9
HOVEDSTADSREGIONEN	-	-	.4	1.0	181.0	294.1	-	2.1
DST FOR STOREBAELT, EX. HOVEDST.	1.2	2.8	3.3	7.5	27.3	164.8	-	-
VEST FOR STOREBAELT	12.0	32.5	12.3	34.4	92.0	620.2	-	-
MULTIREGIO	-	-	-	.4	32.1	366.0	3.7	6.8
GRONLAND	-	62.1	-	.5	-	25.4	-	-
ELLAS	409.5	1508.0	64.4	225.8	423.7	1835.8	-	11.8
YOREIA ELLADA	173.2	763.0	27.6	70.7	71.5	381.1	-	11.6
KENTRIKI KAI DYTIKI MAKEDONIA	119.4	531.1	17.0	40.1	27.7	243.9	-	.2
THESSALIA	32.0	113.4	3.2	13.9	4.0	40.7	-	.5
ANATOLIKI MAKEDONIA	8.5	51.3	7.0	15.3	37.4	63.9	-	-
THRAKI	13.2	67.2	.4	1.3	2.4	7.5	-	-
MULTIREGIO	-	-	-	.1	-	25.1	-	10.9
KENTRIKI ELLADA	133.1	443.5	29.8	80.2	96.9	439.3	-	.2
ANATOLIKI STEREA KAI NISIA	13.3	126.5	14.7	29.2	41.6	171.4	-	.2
PELOPONNISOS KAI DYTIKI STEREA	71.6	202.1	14.2	36.5	31.2	175.9	-	-
IPEIROS	48.3	114.8	1.0	14.5	24.1	92.0	-	-
ANATOLIKA KAI NOTIA NISIA	17.5	180.0	5.6	16.1	8.8	42.8	-	-
KRITI	9.4	88.2	4.6	10.5	7.4	31.4	-	-
NISIA ANATOLIKOU AIGAIU	8.1	91.8	1.1	5.6	1.3	11.4	-	-
MULTIREGIO	85.7	121.5	1.3	58.8	246.5	972.6	-	-

EXPLANATORY NOTES

EC GRANT FACILITIES FOR INVESTMENT

Investment grants are unrequited transfers for gross fixed capital formation.

European Regional Development Fund (ERDF): On the basis of the new Council Regulation (valid for the Regional Fund from 1985 onwards) financial resources are allocated within a specific range defined for each Member State with an upper and lower limit. The Fund distinguishes between programme and project financing. The share of ERDF aid allocated to programmes (Community Programmes, National Programmes of Community interest) should reach 20% at the end of 1987. Financial support of individual regional policy projects of Member States will remain the most important type of ERDF aid; these grants are given in favour of the productive sector and of infrastructure measures. Besides this ERDF resources can still be allocated to specific regional development measures (old "non-quota section") up to 1991 (Ex.: Restructuring steel and shipbuilding regions).

European agricultural Guidance and Guarantee Fund (EAGGF) - Guidance Section- direct measures: Assistance is granted for both private initiatives (typical case : improvement of processing and marketing conditions for agricultural products) and for projects carried out by public authorities (ex. collective irrigation schemes, forestry measures).

EC LOAN FACILITIES FOR INVESTMENT

Loans are provided at normal or reduced rates of interest; they have to be repaid.

European Investment Bank (EIB): Article 130 of the EEC Treaty authorizes the EIB to provide loans from its own resources for financing all kinds of (1) regional development projects, (2) projects of common European interest or (3) the structural reconversion of "old" enterprises.

New Community Instrument (NCI): A council decision of 1978 enables the Commission to contract NCI loans promoting investment in the energy, industry, and infrastructure sector and helping to combat unemployment.

European Coal and Steel Community (ECSC): Article 54 of the ECSC Treaty enables the Commission to finance investment programmes in the coal and steel industries; in addition, loans for the construction of workers' housing in these industries can be given. Article 56 is the legal basis for loans aimed at the restructuring and reconversion of coal and steel industries.

European Atomic Energy Community (EURATOM): Based on articles 2, 172 and 203 of the EURATOM Treaty the Commission can give loans for financing nuclear power stations and related installations.

STATISTICAL QUESTIONS

Territorial units: Data are presented for the regions of levels I and II of the EUROSTAT nomenclature of territorial units for statistics (NUTS). Projects involving more than one region are classified as "MULTIREGIO" in the tables. Projects covering several NUTS I regions are presented at national level, while those involving several NUTS II regions appear at the level of the corresponding NUTS I region.

Recording time : ERDF and EAGGF investment grants and loans for workers' housing are recorded at the time of the Commission's decision. All other ECSC and EURATOM loans are recorded at the time of payment, EIB and NCI loans at the time of the signature of the loan contract.

Limits to the analysis: Methodological and technical problems make it impossible at the moment to provide regional data on the Social Fund and the indirect measures of EAGGF Guidance Section or to measure the important regional impact of EAGGF price guarantees for agricultural products.

REFERENCES

For more detailed information consult:

- the annual EUROSTAT publication, "Regions - The Community's financial participation in investment";
- EUROSTAT's regional database REGIO.

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